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UNCLAS HALIFAX 000167

SIPDIS

DEPT FOR WHA/CAN

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SUBJECT: NEWFOUNDLAND CHALLENGES OTTAWA OVER FISH

REF: A. HALIFAX 0110; B. 02 OTTAWA 3256

1. SENSITIVE BUT UNCLASSIFIED - ENTIRE TEXT

2. (SBU) SUMMARY: The Newfoundland-Labrador government, stung by Ottawa's decision to shut down the province's cod fishery, is seeking a constitutional amendment to force the federal government to share control of the fishing industry. (END SUMMARY)

3. (SBU) Newfoundland-Labrador's Deputy Minister of Intergovernmental Affairs told us on May 14 that his political masters are committed to their quest to obtain shared management of the fishery in waters off the province, following the federal government's unilateral decision to end cod fishing there. Andrew Noseworthy, a veteran bureaucrat who has served in several Newfoundland-Labrador administrations, dismissed the notion that current Premier Roger Grimes is exploiting this hot-button issue to garner popularity before he calls a provincial election. Noseworthy acknowledged the move does give a high-profile opportunity to the governing Liberals. Nonetheless, he emphasized that all three political parties in the Newfoundland-Labrador House of Assembly voted unanimously to support Premier Grimes' resolution, which called on Ottawa to renegotiate its constitutional right to manage the fishery. Accordingly, all the parties have obligated themselves to support the initiative regardless of the election outcome.

4. (SBU) Noseworthy asserted that any new provincial government will pursue the case, noting that the Progressive Conservative Party had first sought greater provincial control of the fishery in 1979. Successive PC and Liberal governments have maintained that the federal government has failed to lived up to its constitutional obligation to manage the fishery in such a way as to ensure the continued economic well-being of the province. The historical document which Premier Grimes wants to amend is the Terms of Union, which brought Newfoundland-Labrador into the Canadian Confederation in 1949. By agreeing to union with Canada, Newfoundland-Labrador relinquished control of its fishery, accepting the principle of federal supremacy in management of the resource.

5. (SBU) While Newfoundland remains committed to this issue, Nova Scotia would prefer that its neighbor refrain from challenging the status quo. Peter Underwood, Nova Scotia's Deputy Minister of Agriculture and Fisheries, told Congen that his province would likely maintain its longstanding refusal to support any initiative to give Newfoundland-Labrador a greater say in the management of the fishery. Nova Scotia fishermen enjoy historical access to the waters off Newfoundland-Labrador, a right that is currently recognized in how Ottawa allocates access in the commercial fishery. As Underwood explained, Nova Scotia has had similar battles with Ottawa on fishery management issues, but has never believed that revising the existing management structure was a viable solution, especially as there would be a high political price to pay as well.

6. (SBU) COMMENT: Newfoundlanders attach tremendous significance to the cod fishery, not only because of its importance to the province's economy, but also because of the vital and highly symbolic role that cod fishing played in the history of Newfoundland. While we hear varying opinions on the motives underlying Premier Grimes' actions with regard to this highly emotional issue, constitution-watchers in Atlantic Canada agree that the province's actions have the potential to open up a new round of constitutional debate in the country. (END COMMENT)

KASHKETT